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SUBJECT: MAOIST INSURGENTS IN EASTERN INDIA EXPAND INFLUENCE WITH
RURAL OPPOSITION TO INDUSTRIAL PROJECTS

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11. (SBU) Summary: Development projects in rural India including India's Special Economic Zones (SEZs) have provided the country's Maoist insurgents (or Naxalites) with an opportunity to solidify their base and to increase their reach into more semi-rural areas. In the extensive "red corridor" of Orissa, Bihar, Chhattisgarh, Jharkhand and parts of West Bengal the Maoists seek to project themselves as defenders of the poor village and tribal populations against business and government efforts to acquire land for industry. The Maoists receive support through levies and additional cadres from small land holders in exchange for protection from the government and capitalist "land grabbers." The failure of the national and state governments to effectively address the Maoist threat, as noted by Prime Minister Singh in a December 20 conference, means that the Maoists will continue to expand their influence into areas closer to eastern India's urban centers. End Summary.

12. (SBU) The Communist Party of India-Maoist (Maoists) was established in September 2004 following the merger of the Peoples' War and the Maoists Communist Center of India. Since the consolidation of the two groups, the Maoist insurgency has been growing in India's Eastern hinterland (ref. A). On December 20, Prime Minister Manmohan Singh speaking to a gathering of Chief Ministers, conceded that Maoist activity has expanded and said, "Although the notions of a red corridor from Nepal to Andhra Pradesh are exaggerated, we have to admit that they have achieved some degree of success in enlarging their areas of militancy. In some states, they have also become involved in local struggles relating to land and other rights." In the various states, the Maoists maintain a common focus and ideology of violent struggle against corrupt local, state and national governments unable or unwilling to address the basic needs of India's rural population. The Maoists (or Naxalites) are a banned political party in most Indian states (except West Bengal) and remain outside of the electoral process. Unlike their Nepali counterparts, India's Maoists have shown no interest in entering the political mainstream and Maoist sympathizer and Andhra Pradesh-based writer P. Varavara Rao commented that joining electoral politics would mean "drifting away from the ideology" of Mao Zedong.

India's Rural Development Projects create displacement

13. (SBU) The creation and approval of 172 Special Economic Zones (SEZs) and the designation of other rural land for industrial development has threatened to displace tribal and rural populations in Orissa, Jharkhand, Bihar, Chhattisgarh and West Bengal. As agricultural land is identified for industrial development, some of the locals have turned to the Maoists for support in retaining their land. Maoists are reportedly arming and assisting small landowners and the tribal population in these areas and using the popular discontent to expand their insurgency into new territory. Maoist propaganda capitalizes on and exacerbates the scope of rural disaffection. Violence has already affected the USD 12 billion South Korean Pohang Iron and Steel Company (POSCO) project in Orissa as local villagers oppose losing land to the proposed large steel and port facility.

14. (SBU) The Maoists maintain that tribal and rural populations have nothing to gain from globalization. Local groups readily accept the Maoist message as the GOI has failed to effectively address the economic backwardness of the rural population. Rural Indians in the Maoist-dominated red corridor are no longer receptive to industrial development as one of the consequences of "progress." In many instances, the state government has not provided appropriate compensation to displaced villagers and tribals. A senior police official from Bihar noted that, "The issue of SEZs has given the Maoists a great opportunity to win over the sympathy of the villagers."

15. (SBU) The Maoist-orchestrated November 19 general strike in response to anti-industry violence in West Bengal's Nandigram, just 70 kilometers from Kolkata, (ref. B) showed that the Maoists are now seeking to expand their operations into semi-rural India. One source claimed that the Maoists were able

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to recruit at least 200 cadres following the Nandigram violence.

During the strike in West Bengal, the Maoists also blew up a portion of a rail track in Birbhum district and disrupted train services. Senior police officials from Bihar and Jharkhand confirmed that Maoists have entered areas where major Indian companies such as Reliance, Tata and Bharti, have started projects.

The National Response

16. (U) During the October 3-5 Directors General of Police conference held in New Delhi, a report was presented which noted a large-scale Maoist penetration in all rural areas that were slated for "development." The report noted GOI security establishment's fears that Maoist sympathizers in semi-rural areas provide support and can increase the Maoists capacity to conduct operations closer to the country's urban centers. In 2006, Prime Minister Singh called the Maoists "the single greatest threat to Indian national security" and was reportedly "completely dissatisfied" with the home ministry's handling of the issue.

The POSCO project and Maoist impact

17. (SBU) Sources from Orissa reported that there is some evidence that the Maoists have penetrated the villages in the area of the major POSCO development project complex in Jagatsinghpur district. POSCO requires 4,000 acres but has only managed to acquire one-third of the land (1,135 acres) as some village groups have put up barricades and refused to vacate their land. Villagers have formed the POSCO Pratirodh Sangram Samiti (Committee for Defense and Struggle against POSCO), reportedly with the help of the Maoists to oppose the establishment of the plant.

¶8. (SBU) Maoist-backed violence has already spread to Orissa's nearby Jajpur district where hundreds of tribal villagers demolished a partly constructed boundary wall of the proposed Tata Steel industrial complex. Orissa Home Secretary Tarunkanti Mishra assured investors that the police would keep a close watch over Maoist activities in the region. POSCO is also planning to hire a large private security company to protect its property. POSCO representative Gee Wong Sung emphasized that the company remained committed to the project and plans to start construction on the plant by April 2008.

The Maoist Threat Moves Across State Lines

¶9. (SBU) POSCO representative Sung remained confident of the POSCO overall plans in Orissa but noted his concern with POSCO's mining project close to the Orissa-Chhattisgarh border. The Dantewada district of Chhattisgarh remains a Maoist stronghold. On December 16, 299 prisoners (an estimated 105 Maoists amongst them) escaped from Dantewada prison, after overpowering the prison staff. The escaping prisoners also stole some rifles. The Government of Chhattisgarh (GOCH) suspended the senior police officer in charge of prison security in the state for negligence. (One GOCH contact told AmCons Mumbai, that only three guards were on duty when the jail-break occurred.) (Note: Chhattisgarh is also home to the Salwa Judum Movement -- akin to a village-level, self-defense militia -- which the GOI has touted as a successful counterweight to the Maoist threat. However, during the recent visit of a Mumbai ConOff to Chhattisgarh, local journalists and NGOs discussed how the movement was now in tatters as the members have grown disillusioned watching fellow members settle grudges instead of fighting the Maoists. End Note.)

¶10. Comment: (SBU) Although the GOI touts SEZs and other rural development projects as vehicles for progress in the country's hinterland, the Maoists continue to strengthen and to expand their base in poor rural areas. The Maoists strategy of

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expanding from rural bases and isolating urban centers was used effectively in Nepal. Recent developments indicate that the Maoists are following this model in India as well. It is ironic that the policies ostensibly designed to include rural India in the country's progress are the same policies that push these communities into Maoist camp, as the central and state governments still fail to adequately address the issue of land reform, compensation and fail to provide basic services to the rural poor and tribal groups. Prime Minister Manmohan Singh described the Maoists as India's single largest threat to internal security but no effective measures have been taken to combat the Maoists. Given these present trends, Maoist violence will likely increase in the future and the Maoist presence will be move closer to the India's urban centers in Eastern India.

¶11. (U) This message was coordinated with AmEmbassy New Delhi and AmConsul Mumbai.
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